

Empowering Women with Small Loans & Education

2018 Annual Report



Executive Report



ADELANTE CONTINUES TO PLAY A UNIQUE AND IMPORTANT ROLE AS AN

organization focused on helping poor women and their families in Honduras. It is one of the only organizations that works with the most vulnerable, using a strategy combining adult education and small loans in order to improve lives. While we are very happy that we have served as a catalyst for change for so many, we have also had to look closely at our shortcomings. 2018 has been a year of introspection and analysis. We have been stuck between 6,000 and 7,000 borrowers for several years. This had been due to a high borrower turnover rate. To determine what has really been happening, we spoke extensively to the women we serve and studied the microfinance industry in the region. We have a track record of success working with new borrowers, who had never had a loan or a business before, and helping them start a business for the first time. After a few loan cycles, though, many of our clients would desert us and take a loan from one of our competitors. It was very important to find out why, because it is the larger loans to women who have become more successful that enables us to also work with the poorest.

In the last decade, lending practices have evolved and changed. More and more microfinance organizations have popped up, and a number of for-profit banks have started “lending down,” realizing it is a way for them to expand their market. Almost none of these other organizations work with women in as low an economic scale as those we work with; however, they have all been more than happy to lure our borrowers away once we have helped them build a successful business. Our focus has been to gain a much better understanding of what our women need, and what the competition is doing. We have learned that we must modernize our credit delivery in order to be more competitive. We will design software to deliver loans faster, and better tailored to each borrower’s needs. Additionally, women want more, efficient, and effective training in order to improve their chances of success. Finally, our mission is important. It sets us apart from most of the other organizations, in that we care deeply about a woman and her family’s wellbeing, not only the bottom line. Loans and education are tools we have learned to use to make lives better, and making lives better is our primary focus.

Staff at Adelante value the impact of the work that we do. Everybody understands and experiences the difficulty of doing this type of work. We rejoice and cheer the successes of our borrowers, and cry with their tragedies, but through it all we hold their hands. We share a sense of pride knowing that over the last nineteen years we have become experts at what we do, but recognize the urgent work still to come. We have the experience, the knowledge, and the will to transform Adelante into an organization that will grow and create even greater positive impact in the lives of the poor in Honduras. What we have learned in 2018 has recharged us with an important sense of purpose, and sets us up for developing a strategy and implementing transformative changes in 2019.

Very truly yours,

Tony Stone
Executive Director, Founder

David Fleming
Chairman, Board of Directors



OUR MISSION

To empower enterprising women with the least opportunity to achieve economic self-sufficiency.

OUR VISION

No one lives in poverty

OUR VALUES

Unity, Discipline,
Hard Work, and Courage

MICROCREDIT

ADELANTE'S MODEL IS BASED ON THE GRAMEEN GROUP methodology which offers access to credit, group support, and alternative plans in cases where repayment becomes difficult due to the daily struggles of poverty. Each of our loan offerings is designed to address specific barriers that may make it difficult for our clients to break the intergenerational cycle of poverty. They include the following:



SOLIDARITY GROUP: Our foundational loan product enables economically vulnerable women to take the first step toward economic self-sufficiency. Group loans are given to a group of 3 to 8 women, and although each is responsible for the payment of their own loan, they all take the responsibility of paying the entire loan.



INDIVIDUAL BUSINESS: Experienced clients with stable businesses, are eligible for individual loans. These loans empower clients to borrow more money at lower interest rates.



HOME IMPROVEMENT: As head of household, many of our clients dream of building a bigger and more comfortable home for themselves and their families. Borrowers are given the freedom to invest in improvements to their homes and businesses to ensure their families' health and security.



EDUCATIONAL: Adelante's Educational Loan was created to ensure that our client's children can afford school and strive for a brighter future. The loan helps women to afford the costs of enrollment, school supplies, uniforms, and transportation for their children.



AGRICULTURAL: Women in remote rural areas are provided with access to financial capital to be able to farm and provide food for their families. This product is only offered at our Siguatepeque branch.

EDUCATION

ADELANTE OFFERS AN INTEGRATED BUSINESS DEVELOPMENT education model to our clients. They receive training at monthly assembly meetings on a range of financial and business topics to help them to grow their small businesses. By providing business training, Adelante ensures that clients have the knowledge to increase profits and improve their overall quality of life.

Every month, an educator delivers a fun and interactive educational module to all of our clients in their assembly groups. These sessions are where our women not only learn invaluable knowledge but also apply concepts to their own businesses to improve their success. Educators and Credit Officers frequently visit each client for one-on-one business consulting and mentorship.

2018 TOPICS	THEME
	Learning to Launch a Business
MODULE I Introduction to Financial Education	Introduction to Financial Education
	Credit
	Summary
	Basic Credit/ Loan Concepts
MODULE II Healthy Finances	Managing Debt
	Over-Indebtedness
	Summary
	Being a Businesswoman
MODULE III Savings	Savings
	Smart Consumer
	Summary
MODULE IV	Children's Financial Education



JUANA

LOAN: INDIVIDUAL BUSINESS



RICARDA

LOAN: AGRICULTURAL

IN 2008, JUANA TRAGICALLY LOST HER HUSBAND AND was left with the responsibility of supporting her three children, two boys and a girl, all by herself. That same year, a close friend of Juana told her about how a small foundation named Adelante had helped her and some friends with a group loan to start a business. Intrigued and desperate for a stable source of income, Juana joined their group. Now, more than 10 years later, Juana has loyally stuck with Adelante and has been a loyal friend as well, for she is still part of the same lending group.

“Adelante has helped us a lot throughout the years,” she says proudly. “I have a lot of fond memories with the foundation and with my group members.”

Juana is from a small city in the central highlands of Honduras. She sells nacatamales (pork tamales) at the city’s central park, right at the heart of the town. In a single day, she can sell up to 150 nacatamales and on the weekends she sells between 500 and 600 nacatamales. Aside from the nacatamales, she cultivates the 0.7 hectares of land she inherited from her late husband, where she mainly grows potatoes and tobacco. She also runs a business raising and slaughtering pigs.

Juana is especially thankful to Adelante for helping her put her kids through school. And although she only made it to third grade, all of her children finished high school and now work with her in the different businesses.

In the future, Juana wants to buy a bigger cart to sell her nacatamales and decorate it with signage so she can gather the attention of more people.

ON THE RURAL PLAINS OF SOUTHERN HONDURAS resides 25-year-old bean and potato farmer Ricarda. She lives in a small village in Intibuca with her father and two sisters, one of whom is disabled and requires her care for sustenance. She is not married and has no kids, but she does run her family’s farm with loans provided by Adelante. Ricarda got her first agricultural loan of L. 5,000 (\$208) two years ago and is currently on her third loan of L. 8,000 (\$333).

Life in rural Intibuca is considerably more difficult than in other parts of the country. There is no electricity, running water, or any other form of communication to the cities. Farms are usually spread apart, leaving little opportunity for any type of commercial activity. Agricultural loans are the only type of loan women like Ricarda, who are just starting on their path to independence, opt for.

Ricarda works the almost three acres of land with her father Ricardo, who at 57 years old endures the same long hours working the land as any young farmer. Being the loan borrower has allowed Ricarda to play a bigger role in the decisions regarding the farm, and she has rightfully earned the ¼ of the land that will be her inheritance. Adelante is the only microfinance institution that covers these sections of the countryside providing opportunities for women like Ricarda to sustain themselves.



ADELINA

LOAN: HOME IMPROVEMENT

ADELINA IS A 73-YEAR-OLD ENTREPRENEUR AND THE proud owner of a bakery business that has sustained her through many decades and has lifted her through many years of toil and hardship.

Adelina moved to a suburb of the city of La Ceiba after separating from her first husband. She was 30 years old and needed a job to move forward. Opportunities were bleak, so she decided to take the enormous risk of opening her own corner store.

She remarried and had three children. The family sustained themselves by running the corner store. After her second husband passed away, Adelina started selling nacatamales, tamales, homemade candies and coconut bread. It was this business that allowed her to finish raising her children and has supported her into her 73 years of age.

She started working with Adelante with a L. 3,000 (\$125) group loan for her bakery business between the years of 2002 and 2003. She has been with the foundation ever since, crediting the excellent treatment and options they have given her and her group members throughout the years as the main reason for her loyalty.

“I had a niece that was working with Adelante, but she moved to another bank because they were giving her more money. She regretted it from the start! The treatment just wasn’t the same.”

Adelina’s first individual loan was a home improvement loan of L. 10,000 (\$416.67), which she used to improve the roof of her house. She has taken a series of loans to make various improvements to her house throughout the years.

As a senior citizen, Adelina is grateful that Adelante has given her the opportunity to be independent and finish building her home.



ANA

LOAN: SOLIDARITY

ANA IS A BUSINESSWOMAN FROM THE FOURTH largest city in Honduras and one of its most important commercial hubs. She lives with her daughter and two granddaughters not far from downtown, where she and her family run three separate businesses. Ana became an entrepreneur through Adelante in 2014, when she started selling pastelitos (Honduran meat pies) door-to-door to people in her neighborhood.

She took out her first group loan of L. 4,000 (\$166.67) with the intention of making a home improvement. Through Adelante’s financial training program, she learned that investing in a business could help her achieve greater profits and make her eligible for greater loan amounts.

After experiencing success with the pastelitos business, she took a big leap and started selling ice cream bars. Shortly after, she opened her own corner store. Most of her profits come from the sale of ice cream bars, a business where she employs six salesmen to cover different neighborhoods. Her daughter is in charge of selling pastelitos to nearby communities, while Ana works at the corner store.

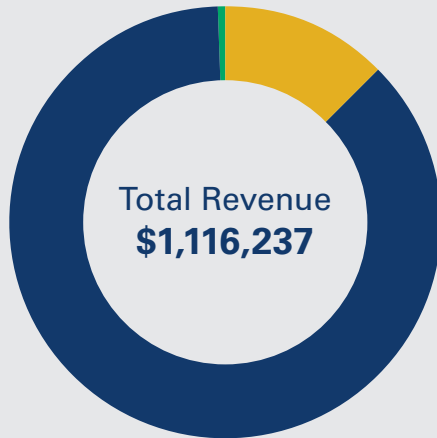
After the initial loan, Ana and her group gradually picked up more group loans ranging between L. 6,000 (\$250) and L. 8,000 (\$333.33). She eventually took an individual home improvement loan to improve the roof of her house.

Ana hopes that her business will continue providing for her family for many years.

“The purpose of the business is to help them. My daughter is still very young and we hope to continue supporting each other.”

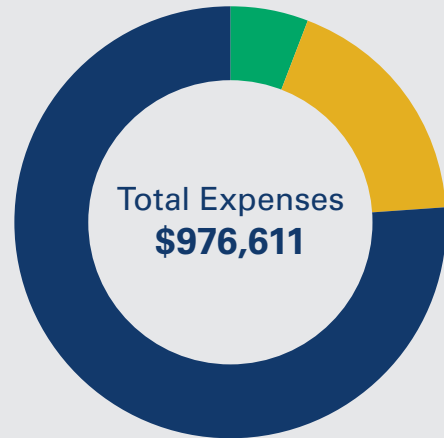
2018 Financials

Revenue



■ \$141,731	■ \$969,252	■ \$5,254
Contribution and Grants	Program and Service Revenue	Other Revenue

Expenses



■ \$745,188	■ \$175,479	■ \$55,944
Program and Service Expenses	Management and General Expenses	Fundraising Expenses

10,000+

CLIENTS SERVED

9,786

LOANS DISBURSED

\$3.56 million

TOTAL LOANS

\$1.8 million

LOANS OUTSTANDING

ABOUT

IN HONDURAS 64% OF THE POPULATION

(5.9 million people) lives in poverty, with 56% (3.3 million) of them facing conditions of extreme poverty. The situation is worse in rural populations due to the lack of access to basic goods and services, which generates wide gaps in employment, income, and wellbeing. Women and children are the most vulnerable.

Since disbursing its first loan in 2000, Adelante has provided over 150,000 women the access to capital and financial training necessary to help them achieve a better quality of life for themselves and their families. With five branch offices strategically located in five key sections of the country, we empower thousands of women nationwide.





LEVEL 1

(\$10,000 to \$1,000,000)

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RICH LANG
KATHRYN AND NICK PARLANTE
WOMEN'S EMPOWERMENT INTERNATIONAL

HEARTFELT THANKS to all who supported our work in 2018!

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(\$5,000 to \$9,999)

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Ingo Stiefler Martinez
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50
other team members

across
5
locations